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Afghanistan	5,500	Qasim, Israel	15,260	Norway	5,500	N.W.
Australia	175	Judy, Italy	1,000	Lebanon	3,700	Red
Bahrain	4,650	On Jordan	450	Fiji	Portuguese	45 Ec.
Belgium	23,815	Karen	16,000	Cameroon	4,400	Blue
Canada	110	Kuwait	500	Costa Rica	4,000	Yellow
Cyprus	40,000	Lebanon	11,000	Saudi Arabia	4,000	Gold
Denmark	4,000	Liberia	8,000	Spain	5,000	Green
Egypt	90,000	Liberia	12,000	Sweden	5,000	Grey
Finland	5,000	Liberia	50	Switzerland	1,900	Black
France	4,300	Liberia	25	Cote d'Ivoire	1,400	Dark Blue
Germany	200,000	Morocco	1,500	T.C.	1,500	Light Blue
Iceland	4,500	Morocco	4,500	U.S. M.	50,000	Dark
Greece	45	Morocco	7,250	U.S. M.	50,000	Dark
Iraq	125	Niger	170	K. Yugoslavia	40	Dark

ESTABLISHED 1887



HIGHEST HONOR — President Ronald Reagan presented the Medal of Freedom to his special Middle East envoy, Philip C. Habib, at the White House Tuesday. Story, Page 2.

Pipeline Sanctions Extended To Include More Affiliates

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The Reagan administration, with little fanfare, has moved to extend sanctions to subsidiaries and affiliates of foreign companies supplying U.S.-licensed equipment to the Soviet Union for construction of the trans-Siberia natural gas pipeline.

The new action extends deeper into the business structure of foreign countries, while narrowing the sanctions to apply only to oil and gas equipment rather than to all U.S. products.

The Commerce Department proposed Tuesday to add 13 subsidiaries and affiliates of Creusot-Loire, a French company building compressor stations for the pipeline, to its list of concerns that have violated the sanctions. Creusot-Loire was previously blacklisted.

In imposing sanctions Saturday on Nuovo Pignone, an Italian company that provided turbines for the pipeline, the department included a subsidiary called INSO.

The new moves, which a depart-

ment spokesman, B. Jay Cooper, called "a means to assure compliance" with the U.S. ban, represented at least a partial reversal of the administration's effort to make the sanctions less politically binding by sharply limiting the products to which they apply.

Construction in Early Stages

The embargo was initiated to protest Soviet repression in Poland, to prevent European allies from becoming too dependent on Soviet natural gas and to deny the Soviet Union the hard currency the pipeline would bring in. The 3,700-mile (5,900-kilometer) line, in the early stages of construction, would carry natural gas to several West European countries.

In addition to the sanctions already imposed on the French and Italian companies, the administration has indicated it intends to move against John Brown Engineering, a British company, as soon as six Brown-built turbines incorporating American technology leave Glasgow on a Soviet freighter. Because of a faulty load-

ing crane, the ship has been moved to another berth, delaying the departure until Thursday, according to a port official.

The department's effort Tuesday to apply the sanctions to the 13 additional companies related to Creusot-Loire was not immediately successful. Lawyers for the concern objected here and a government hearing officer, Thomas Hoya, gave them until the end of the week to make their case. Essentially, Creusot-Loire declared, the inclusion of the additional companies would be "an intolerable broadening" of the sanctions.

Earlier sanctions against Dresser France, the French subsidiary of Dresser Industries Inc., were narrowed late Tuesday and limited to oil and gas equipment. Dresser France is a subcontractor to Creusot-Loire.

In its weekend announcement, the Commerce Department repeated earlier assertions that limiting the sanctions to oil and gas equipment did not represent a softening of the U.S. position.

Addressing himself to a Labor

newspaper, which a depart-

ment spokesman said had been

involved in the negotiations,

Cooper said, "We are continuing to negotiate."

Mr. Casanova said five hostages remain in the building, among them Zygmunt Dobruszewski, a military attaché, who hid in a separate section of the embassy and was found by the terrorists Tuesday afternoon.

The Swiss government, sticking to its original stand, turned down the demand, repeating instead that it will accept only the unconditional release of the hostages and the surrender of their captors.

The commandos, who claim membership in the little-known Polish "Insurgent Home Army," are also demanding an end to martial law in Poland and the release of political prisoners and dissidents interned by the Warsaw regime. They have threatened to blow up the embassy with 25 kilograms (55 pounds) of dynamite if their demands are ignored.

Shortly before Swiss authorities rejected the new condition, they rescued a diplomat who had been hiding in the attic since the gunmen stormed the building Monday.

The police identified him as Josef Matusiak, an attaché. A photograph of him standing at window of the embassy holding a note was published in a Swiss newspaper Wednesday. Government officials had asked newspapers not to print the photograph to avoid endangering his life.

Journalists outside the embassy said that he had crawled over the embassy roof and that police had moved in to help him.

Mr. Matusiak was the ninth person to leave the embassy. By

Wednesday morning, the occupiers had released eight hostages — six women, a Polish student and a diplomat with high blood pressure.

Achille Casanova, a government spokesman, said all eight were in satisfactory health.

The occupiers had threatened to blow up the building with dynamite if their demands were not met by Friday. They originally set 10 A.M. Wednesday as the deadline, but on Tuesday night they postponed it until Friday.

The Swiss government rejected on Wednesday Poland's offer to send a paramilitary unit to Bern to help rescue the hostages.

"It is not necessary. It was re-

quested on principle," said Jérôme

Le Gall, spokesman for the Swiss Justice Ministry. "We are continuing to negotiate."

Mr. Casanova expanded their list of conditions late Wednesday for the release of the remaining captives, demanding unimpeded passage out of Switzerland.

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graph of him standing at window of the Polish Embassy in Bern. Mr. Matusiak later escaped by crawling across the roof of the building.

again and renewed the dark suspicions. They were joined an hour later by three uniformed investigators.

For the next three hours, the officers interrogated Mr. Laurie and Miss Leung separately, scolded Mr. Laurie for being arrogant when he asked to call the U.S. Embassy for counsel, directed him to write a confession and finally seized his press credentials and Miss Leung's passport.

At noon Tuesday, the case — known among foreigners here as the "Jianguo shakedown" — ended in central police headquarters with Mr. Laurie fined \$21 for violating an obscure 1964 regulation requiring foreigners residing in China to register their guests.

This all might sound like a chapter from "The Gang That Couldn't Shoot Straight," but it is just the latest example of the great lengths to which Chinese authorities go to separate their subjects

Arabs Said to Be Near Peace Offer

By Michael Goldsmith
The Associated Press

FEZ, Morocco — Arab leaders will negotiate a Middle East peace on the basis of President Ronald Reagan's initiative, but only if Israel recognizes the PLO and the agrees to a Palestinian state incorporating East Jerusalem, officials said Wednesday.

Israel has rejected those condi-

tions to show his displeasure with the proposed offer of mutual recognition. King Hassan II of Morocco showed his anger at Mr. Mohamed's departure by sending only junior officials to see him off.

South Yemen is a member of the front of Arab hard-liners who refuse to accept the existence of Israel. Another member of the front, Libya, boycotted the summit, calling it a "betrayal of the Arab cause." But all the other hard-liners, including Yasser Arafat, leader of the Palestine Liberation Organization, continued to take an active part in the summit.

The leaders, meeting at the Arab League summit, were approaching consensus on an unprecedented offer of mutual recognition between Israel and the Arab states, according to the officials. There were indications that a draft of a final communiqué was almost ready.

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ane ministers, who form the summit's main committee under the chairmanship of King Hassan.

A delegations source said the summit agreed to dispatch groups of Arab leaders to Washington and other major capitals to explain the Arab conditions. A Lebanese source said the delegation to Washington would include Mr. Arafat.

The Israeli cabinet last week rejected Mr. Reagan's plan, even without those conditions.

The Arab summit sources said the only part of the package still to be decided was the exact wording of the offer of mutual recognition. The package was drafted in many hours of discussions among King Faisal, King Hussein of Jordan, President Hafez al-Assad of Syria, Mr. Arafat, and Tunisian and Leba-

Knesset Backs Rejection of Reagan Plan

By Edward Walsh
Washington Post Service

JERUSALEM — Israel's parliament Wednesday endorsed Israel's rejection of President Ronald Reagan's Middle East peace initiative after Prime Minister Menachem Begin taunted his opposition critics by threatening to call early national elections over the issue next spring.

By a vote of 50-36, the Knesset backed a resolution supporting the cabinet's earlier unanimous rejection of the U.S. proposals which could form the basis for a negotiated settlement of the Middle East conflict.

Party member, Victor Shemtov, who contended that a majority of Israelis favored a "territorial compromise" in return for peace with Jordan, Mr. Begin said:

"Let's agree that elections be held in May or June. Do you agree? If you do, we'll prove who speaks for the majority."

The remark came in the midst of a highly political speech and was not a formal call for elections before the Begin government's term expires in 1985.

But it reflected Mr. Begin's po-

litical confidence following the war in Lebanon, which, according to recent public opinion polls, has boosted the prime minister personally and his governing Likud bloc to the highest levels of public support since they have ever enjoyed.

The Israeli military command said the missile battery had been at Dahr al-Baide, about seven miles (11 kilometers) northeast of the town of Bhamdoun in the central Chouf mountains. The Associated Press reported.

Raucous Debate

The debate over the U.S. peace initiative was often raucous, featuring shouted interruptions of Mr. Begin's concluding speech.

But the prime minister made it clear that he did not fear a popular test of strength with the opposition Labor Party over Mr. Reagan's call for a freeze on new Jewish settlements in the West Bank and Gaza and the eventual linking of the occupied territories with Jordan.

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Shultz Brings Easy Style to State Department — No Confrontations

By Leslie H. Gelb
New York Times Service

WASHINGTON — For as long as anyone can remember, the secretary of state's conference room has contained a long mahogany table in two sections, embraced by two dozen or more chairs, with more chairs placed arm-to-arm along the wall. Sometime after George P. Shultz's arrival, the furniture was rearranged.

Now the conference table is shorter and is surrounded by only 10 chairs, with a few easy chairs on the periphery.

The rearrangement was a signal from the new secretary that things would be more informal. It was the mark of a man who plays a great

deal of attention to dealing with people.

The approach seems to be, as aides quote it: "Let's get comfortable, talk things over, get everyone's ideas, see what the facts show us if there isn't some common-sense approach to this problem that we can all feel comfortable with."

No Confrontation

There is no confrontation, none of the "our team vs. the White House" that characterized the era of Alexander M. Haig Jr.

On several occasions, State Department officers report, Mr. Shultz has gone off to the White House without disclosing exactly what position he was going to take.

He apparently will do whatever he can to avoid news stories about winning or losing against Defense Secretary Caspar W. Weinberger or William P. Clark, the national security adviser.

At his aides tell the story, Mr. Shultz talked with Mr. Reagan five or six times, but always with key White House officials present. Having worked in the White House himself under Richard M. Nixon, the secretary seems fully aware of how jumpy the entourage gets when a cabinet officer asks for a private audience. He has yet to ask to see the president alone, his aides report.

The secretary's handling of the crisis with European allies over the building of the Soviet natural gas pipeline was a variation on the theme.

per, which would have been the bureaucratic way. He is said to prefer face-to-face discussion with the White House.

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The secretary's handling of the crisis with European allies over the building of the Soviet natural gas pipeline was a variation on the theme.

When some European companies shipped equipment for the pipeline in defiance of his ban, Mr. Reagan banned U.S. exports to those companies. The Europeans would not back down; neither would the president. A stalemate of crisis proportions ensued.

Aides said Mr. Shultz made no effort to put himself in charge of deliberations during the stalemate, but that responsibility gradually gravitated toward him. At the outset, the aides reported, he said that he was as opposed to sanctions and confrontation as was his predecessor. But he kept repeating: "It's the president's policy. Let's not fight it."

His task, officials said, was to manage the crisis, to keep things in

control and to look for alternatives that might accomplish the president's aim, namely bringing pressure to bear on Moscow to lift martial law in Poland.

Officials said he began by laying out clearly the difficulties in the situation. In a subsequent meeting, he "put out a few ideas." Later, when he and others felt comfortable, he said: "Here's an approach I'll pursue in the White House," and "These are some points I'll make."

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He is an organization man who believes in hierarchy and order, but goes out of his way, aides said, to provide the personal touch.

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One day, the story goes, Mr. Harlow got up on his tiptoes to address an audience. He asked the late Rogers C.B. Morton, a very tall man who was then Mr. Nixon's secretary of the interior, to stand up, too.

"When I came to Washington 20 years ago," Mr. Shultz quotes Mr. Harlow as saying, "I was as tall as Rogers Morton."

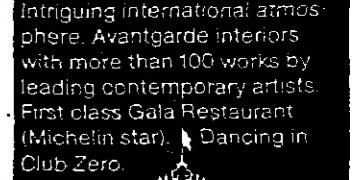
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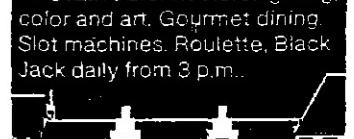
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Wallace Faces Runoff In Bid for Governor

United Press International

CHICAGO — George Wallace finished first Tuesday in the Democratic primary in his bid for a fourth term as governor of Alabama but was forced into a Sept. 28 runoff with Lieutenant Governor George McMillan.

Mr. Wallace ran surprisingly well in some predominantly black counties in the voting. Mr. McMillan had the endorsement of the state's major black political group, the Alabama Democratic Conference, but Mr. Wallace forged a coalition of rural and black voters and performed well in counties he had lost in earlier races for governor.

Mr. Wallace, now 63, was governor from 1963 to 1966 and from 1971 to 1979. Two decades ago, he blocked the schoolhouse door to integration with a cry of "segregation forever," but this year he campaigned among black voters.

He won two predominantly black counties outright and led in two others. He won in Macon



George C. Wallace salutes supporters in Montgomery, Alabama, after winning a spot in a Sept. 28 runoff election for the Democratic nomination for governor. He is seeking a fourth term.

Documents Show U.S. Agents Spied On Homosexuals

Associated Press

WASHINGTON — The U.S. government routinely spied on organizations promoting homosexual rights and compiled voluminous lists of homosexuals in the 1950s, 1960s and early 1970s, according to FBI and Pentagon documents.

An FBI spokesman, Lane Bonner, would not comment directly on the documents but said the bureau automatically reported federal employees who had been discovered to be homosexual on the ground that they might pose a security risk. He said that surveillance of the sort described in the documents was ended in the mid-1970s under rules that require evidence of a crime before an investigation is started.

Congressmen familiar with the documents sharply criticized the FBI.

The nature of this conduct revives the frightening specter of the McCarthy witch-hunt era of the 1950s," said Representative Philip Burton, Democrat of California, in a letter asking for an investigation by Congress.

Spadolini Will Visit Lisbon

The Associated Press

ROME — Prime Minister Giovanni Spadolini will travel Friday to Lisbon for a three-day visit to discuss Portugal's entry into the European Economic Community and other issues.

Boston Arson Squad Has a Long, Hot Summer

By Doyle McManus
Los Angeles Times Service

BOSTON — Peter Neel and Stephen McLaughlin grew up together, joined the army together, served in a hook-and-ladder company together and now have worked for two years as partners on the Boston Fire Department's arson squad. Neither of them has ever been through anything quite like the past three months.

"The nights have been crazy," said Mr. Neel, 49, an inspector, his eyes red-rimmed after weeks of post-midnight overtime. "It goes from a three-decker apartment building to a church to a factory. I wish to hell there were a pattern to it. If we could find a pattern, we'd be heroes."

All summer long, arsonists have been setting fire to large parts of Boston; a little at a time — and officials freely admit that they know where they've been baffled.

From June through the end of August, a record 165 blazes "of suspicious origin" were investigated,

and more than 30 of "undetermined origin."

That is an average of more than two mysterious fires a night, but there has been no regularity to the blazes. Some nights are quiet; some have had a dozen deliberate fires and once, the night of June 11, 101 separate alarms went off in 12 hours, not all of them suspicious. Only eight arrests have been made, and they have not stopped the fires.

"We're kind of stymied," Paul McCarthy, chief of the department's 16-man arson squad, admitted. "Summertime is usually a slack time for us. We can't figure out why it's happening at this time, this year."

"We never seem to catch up with them," said Mr. McLaughlin, 47, a lieutenant on the squad and Mr. Neel's partner. "We go one place, they start a fire somewhere else. It's almost as if they know where we were."

No one has been killed in any of the fires, most of which have been

clued in abandoned buildings in the black and Hispanic slum neighborhoods of Roxbury and Dorchester. But there have been dozens of injuries, mostly to firefighters.

Many Cases

The cases have a bewildering number of apparent causes. In one six-block area, it was young vandals. In another case, the arson squad is keeping an eye on the owner of several dilapidated apartment buildings who has had six fires this summer — fires the investigators suspect were deliberately set so the landlord could make insurance claims.

In another case, one of the few in which a suspect has been arrested, a neighborhood bar was firebombed only a few hours after the owner ejected a young man for excessive drunkenness.

Arson has long been a fashionable way to settle scores in Boston's underworld and a favored land-clearing method of unscrupulous slumlords. But this summer's flare-up, city officials say, has increased.

The crime rate is up, and thieves in some areas have invented a new category of larceny: stealing the front doors from houses while the owners sleep and reselling them.

Massachusetts's old, dense cities have always been susceptible to conflagrations. A third of Boston burned in 1643, and major fires have occurred regularly since. But this has been a particularly difficult time for the Boston Fire Department, which has eliminated 389 firefighters — 19 percent of the force — during the city's two-year fiscal crisis.

"The Fire Department is not able to respond to every fire now, and the arsonists know it," Mr. McLaughlin said. "They set one fire, and they know they can set another while the apparatus is responding to the first one."

The arson squad is equally overstuffed. "Years ago, the squad would get one call a night. They could stay there all night," Mr. Neel said. "Now we're getting six or eight a night."

Reward Offered

The department's critics have said the squad should be enlarged, its records computerized and county prosecutors assigned to help put arsonists in jail. Instead, Mayor Kevin White has announced a \$5,000 reward for anyone who supplies information that helps convict an arsonist. There have been no takers so far.

The city is failing miserably to respond to the public safety threat posed by arson," said City Councilman Raymond Flynn, who is of

the recommendations presented Tuesday at the biennial convention of the Lutheran Church in America, which is adopting a specific declaration of this type by an American denomination.

The decision would mean that Lutheran and Episcopal clergy could jointly celebrate Holy Communion using the rites of either denomination and that members of

the two denominations could intermarry.

Finally, in commercial terms,

things as the ordained ministry precede a declaration of communion fellowship.

Future theological discussion will be needed to resolve the remaining points of disagreement, an official said. These would include the Episcopal concept of the ordained ministry, apostolic succession and the role of bishops, among other matters.

The recommendations on communion, which are also before conventions of the American Lutheran Church and the Association of Evangelical Lutheran Churches, say that the Lutheran denominations "recognize now the Episcopal Church as a church in which the Gospel is preached and taught."

The three Lutheran denominations represent 5.5 million people.

There are about 3.7 million

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Two U.S. Churches Agree on Communion

By Charles Austin
New York Times Service

LOUISVILLE, Kentucky — Lutherans in the United States and Canada plan to establish communion fellowship with Episcopalians even though they are not in full agreement on some points of church doctrine.

If the recommendations presented

to commute at each other's altars. It is expected that the proposals will easily win approval from the 700 delegates to the convention of the three-million-member Lutheran church when a vote is taken.

Proposals Endorsed

The Commission on Ecumenical Relations of the Episcopal Church has already endorsed the proposals, which are now before the general convention of the Episcopal Church meeting this week in New Orleans.

Lutherans have long been reluctant to declare communion fellowship with non-Lutherans. Episcopalians have also previously insisted that there be fuller agreement on key doctrinal points before encouraging intercommunion.

The decision would mean that Lutheran and Episcopal clergy could jointly celebrate Holy Communion using the rites of either denomination and that members of

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</div

A Nay-Sayer in Toronto

From THE WASHINGTON POST

First, a word in defense of the Reagan administration, which is currently in the role of the nay-sayer at the international money meetings in Toronto. Despite all its strictures against intervention, it intervened rapidly, skillfully and successfully last month when Mexico fell into serious currency trouble. It is difficult to imagine what might have happened if the United States had not acted.

And now two questions for the administration: Would it not be wiser, from the American point of view, to run rescue operations on an international basis in the future, drawing immediately on all the rich countries' resources? And better to try to anticipate this kind of emergency with judicious lending guided by an international consensus?

The World Bank and the International Monetary Fund are the two international agencies that the world's governments have developed over the past 30 years to deal with the kind of strains that are now developing. The United States is currently resisting the necessary expansion of lending authority for the World Bank and the IMF, on grounds that too much lending might set off another inflationary spending spree. That risk is not negligible. But it is very small compared with the cost of having inadequate resources to meet the demands ahead.

In the first wave of oil price increases in

1974-75, the OPEC surplus shot up to \$68 billion a year. If you have been following the arithmetic of American budget deficits that may not seem dramatically high. But it was nearly twice the total of all the current deficits of all the developing countries put together, from India to Haiti. The OPEC surplus money that the oil exporters took in but did not spend, fed the pool of capital from which the commercial banks lent to the developing countries — whose deficits were rising sharply because of the higher costs of oil.

Over the next several years, as the OPEC governments learned to spend faster, their surpluses fell. But their customers' deficits did not. With the next rise in oil prices in 1979, the OPEC surpluses shot up higher than ever, to \$116 billion, but are now falling, astonishingly, to zero. That great stream of money into the world's banking system has gone dry. But the price of oil is still high, the deficits of the developing countries are enormous and the loans that got them through the last recession are coming due.

The world's trading and banking system is self-stabilizing. It requires leadership and intelligent tending. Treasury Secretary Donald Regan was saying plaintively in Toronto this week that the United States can't do it all. How true. That is the case for strengthening the World Bank and the IMF.

Begin Protests Too Much

From THE NEW YORK TIMES

Although scorned in Jerusalem, President Reagan's bid for an Arab-Israeli deal on the West Bank is having the desired effects. The least belligerent Arabs are trying to compose a favorable response. Israel's Labor opposition has staked its future on the plan. American lobbyists for Israel welcome it. And a few Palestinians seem interested. In diplomacy, that is not a bad week's work.

Reagan came late to exploit these moods, but probably not too late — if Jordan and Saudi Arabia will respond favorably.

Prime Minister Begin's anger should not be underestimated. Now that his plan to annex the West Bank has been frontally challenged, he will be resourceful in pre-emptive maneuvers. He has implanted 25,000 annexationists in 100 West Bank settlements and vows to implant more. He will not wait for diplomacy to devise a non-Israeli future for any part of the territory. He fears he yielded too much at Camp David and aims to discourage the negotiations then envisioned.

Israel's obvious need for vigorous security arrangements in the West Bank was foreseen at Camp David and in Reagan's proposal. The notion that Washington or Amman would let the area become a "Soviet base" is disingenuous propaganda. That Israel could thwart such a threat at any time has been made brutally clear in Lebanon.

Ideally, a gradual accommodation would provide not only for the return of Palestinian refugees to the West Bank but also for some Jewish settlers in an ancestral terrain. But bargaining for that is one thing, imposing it in ways that frustrate negotiation quite another. In retarding Reagan's reasonable request for a voluntary freeze on further settlements, Begin casts doubt on his motives and injures his standing in America.

Other Editorial Opinion

Middle East Détente

An important aspect of President Reagan's latest Middle East initiative is that it affirms the determination of the United States to stop having its policy molded by Israel.

No one will believe that peaceful coexistence between Israel and its neighbors can be achieved quickly. On the other hand, in view of the Middle East's potential for leading to collisions between the two superpowers, its pacification would be a genuine contribution to global détente in the true and uncorrupted sense of the word.

— *Neue Zürcher Zeitung* (Zurich).

The IDA Deserves Better

There could hardly be a less deserving victim of the insularity which occasionally grips the American political system than the International Development Association. The IDA is the arm of the World Bank financed by loans so soft as effectively to be grants, and its projects benefit the poorest countries of the world (generally with an income per head of less than \$410 a year). Precisely because its work appeals to what some Americans like to dismiss as bleeding heart liberalism, the United States' contribution to the IDA has become a prime target for budget cuts.

The U.S. slice of the current funds was meant to be \$3.24 billion over three years, but the present administration instead stretched it over four years, and Congress promptly put a further ceiling on payments, which halved the original commitment for 1981 and knocked nearly \$1 billion off the 1982 total. [Wednesday's] meeting of the World Bank-IMF development committee

— *The Nashville Tennessean*.

SEPT. 9: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Anti-Oriental Riots

VANCOUVER — Serious rioting directed against Orientals has occurred here. The Lieutenant-Governor was burned in effigy in one of the leading thoroughfares by way of protest against his refusal to sign the Anti-Oriental enactment of the British Columbia Legislature, which was framed with the object of excluding Japanese and Chinese from Canada. Subsequently, the mob wrecked the Chinese district, breaking plate-glass fronts and causing damage estimated at many thousands of dollars. Several arrests were made, but the mob rescued the prisoners from the police and hustled them away in cabs. Three thousand Chinese and Japanese have fled to the outskirts of the city.

JOHN HAY WHITNEY (1904-1982), Chairman

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PROTECTION FOR AMBASSADOR — Ozdenir Benler, Turkey's new ambassador to Canada, arrives at Rideau Hall in Ottawa in a bulletproof limousine to present his credentials. New ambassadors usually are driven to ceremonies in horse-drawn carriages, but stricter protection measures are being used in light of recent terrorist attacks. Turkey's military attaché in Canada was killed Aug. 27 by a group claiming to be Armenian nationalists.

Papandreu Charges That Turkey Is Building A-Bomb With Pakistan

By Andriani Ierodiaconou
Washington Post Service

ATHENS — Prime Minister Andreas Papandreu charged Wednesday that Turkey is manufacturing an atomic bomb in cooperation with Pakistan.

Addressing a meeting here of socialist deputies of the European Parliament, Mr. Papandreu said this posed the major obstacle to the legitimate representation of the subject.

He also said he would not participate in any peace talks.

Scuds

aid two years ago sent one to him.

He established it as a major aggression against him.

It has been kept under tight control.

It has been effective.

The PLO has never been able to do this.

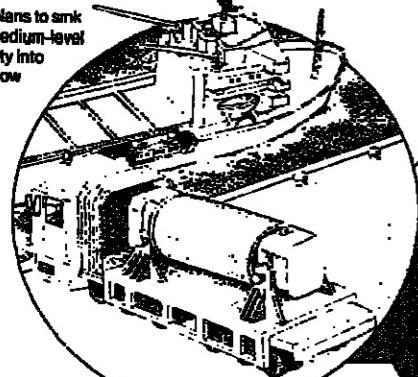
It is a major achievement.

SCIENCE

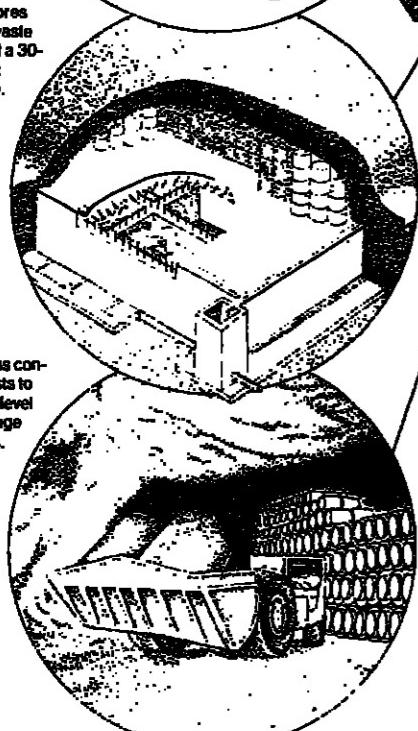
Europe Leads U.S. In Disposal Plans For Nuclear Waste

Long-Range Plans for Radioactive Waste		
Country	Number of reactors	Proposed storage
France	29	Under Alps
West Germany	12	In salt domes
Belgium	3	In frozen clay
Sweden	9	In granite at sea
Britain	32	Underground granite
United States	73	No current plan

Sweden plans to sink waste of medium-level radioactivity into granite below the Gulf of Bothnia.



France stores low-level waste in drums at a 30-acre site at La Manche.



Joseph Pappo, The New York Times

By Walter Sullivan
New York Times Service

SWEDEN is planning to dismantle, piece by piece, all 12 of its nuclear power plants by 2010 and is taking steps to bury the radioactive waste from them deep in granite at sea.

France on the other hand, expects to have 55 nuclear power plants generating 55 percent of its electricity within three years. It too has enormous waste disposal problems and is looking into the possibility of storing the radioactive waste under the Alps.

These two approaches are among a wide range of West European strategies for dealing with the radioactive waste produced in generating nuclear power.

The future of nuclear power depends on safe disposal at a reasonable cost. Thus the West European experience — diverse, innovative and laden with political, physical and practical problems — will be instructive to other nations.

The United States for example, has 73 operating nuclear power plants generating 13 percent of its energy, but the Energy Department and Congress have been unable to agree on a plan for developing long-range storage sites. Some reactors may have to be shut

down as soon as 1986, and a full-scale storage crisis is expected by 1990 unless proper disposal sites are created by then.

Of principal interest among the European operations is an international project in Sweden. Techniques are being tested there for encasing high-level wastes in the granite walls of an abandoned mine more than 1,000 feet underground, 100 miles from Stockholm.

Now the third most electrified country in the world, Sweden will soon depend on nuclear plants for half its power. But the Swedish people, concerned about the dangers of radiation and difficulties of waste disposal, voted in a referendum in 1980 to close down all the country's nuclear reactors within 30 years and to consider alternative sources of power. The government's overall program, therefore, is designed to dispose of all wastes, including radioactive structural material from the plants themselves.

As in other countries, the waste is assigned to one of three radioac-

tive categories: low, medium, or high level. In the first are slightly contaminated materials, such as empty containers, gloves and shoes. Medium-level wastes consist of material radioactive enough to require special handling but not sufficient to generate high temperatures. High-level wastes generate too much heat for early burial. They have to be artificially cooled, possibly for decades, before they can be permanently stored.

Reactor rods, removed after their fuel has been depleted, are treated as medium-level waste unless their more radioactive constituents are extracted and concentrated by a reprocessing plant.

To handle the thousands of tons of spent fuel being generated in Sweden, an elaborate center is being built alongside the Oskarshamn nuclear power station on the Baltic coast. In a cavern carved out of bedrock underneath it, four large "swimming pools" are being constructed to hold the spent rods.

Intermediate Storage

According to Erik Svenke, president of the Swedish Nuclear Fuel Supply Co., which handles disposal as well as production of fuel, the center should begin operation early in 1985. It is designed ultimately to hold 9,000 tons of spent fuel and reactor components.

For final storage of medium-level waste, Sweden plans a site excavated out of granite or similar rock a mile off shore under the Gulf of Bothnia. The site will be linked by a tunnel to the nearby Forsmark nuclear power station.

Above it will be a 165-foot layer of rock topped by 20 feet of water.

High-level waste, according to the plan, will be disposed of in granite or comparably homogeneous rock at one or more sites.

The problems of disposal of the granite are being studied at the Stripa mine in Sweden, where mining began in 1985 and ended in 1976. Participants are Finland, Japan, Sweden, Switzerland and the United States, with Canada and France as associates.

Some of the questions they need to answer are: What are the effects of heat generated by high-level waste? Does water percolate through the rock? Does it pick up substances that, under such conditions, will corrode the canisters and dissolve the glassy, waste-laden material inside?

Heat Conductivity

Electric heaters are testing such effects as well as heat conductivity of the rock. The tests at Stripa are also exploring ways to enclose the deposited canisters so that no material can enter or escape. A favorite substance is bentonite, a clay of volcanic origin that would provide a tight seal because it swells when mixed with water.

In Britain, tests are being conducted in a number of bore holes in granite. Exploratory drilling has been conducted in northern Scotland; the heat response of Cornish

material began in February.

Nevertheless, various concerns have been expressed about the Gorleben deposit. Like other salt domes, it is a body of salt that has risen from a deeper deposit because of its buoyancy relative to other rock. Current boring may indicate whether or not it is still rising and eventually might bring a deep deposit to the surface.

The salt has apparently been free from water action for millions of years, but some fear that the Elbe River might change its course and penetrate the area. The advantages of salt, however, are that it is self-sealing and unlike rock, will not open permanent cracks under the stress of an earthquake or other geologic change.

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material began in February.

The Netherlands is also interested in salt deposition, primarily in

the man got well and the ship did not have to turn around," Mr. Urner said.

A return to port probably would

not have been necessary before the new company was formed, when Lykes relied on the U.S. Coast Guard, he said. The company also has flat rates, but under the Lykes contract the cost was \$20 a minute for the doctor's time. Diverting the ship to a port easily could have run Lykes \$50,000 or more, Mr. Urner said.

Mr. Pickett said the company began with a three-year Coast Guard study completed in 1981. The study proposed a high-technology, computerized medical aid system for the doctor's time.

A federal administration trying to trim the budget wasn't about to embrace such a project, so the company's president, Robert Parrow, then chief of the Coast Guard's maritime division, which conducted the study, left to start his business.

Air Controllers Hired

In hiring workers, the company took advantage of the demise of the Professional Air Traffic Controllers Organization strike. It retrained a half-dozen controllers on marine radio and gave them jobs.

"They handle the radios quite well. With their background, they can juggle several emergencies at one time," Mr. Pickett said.

A staff of doctors and doctors' assistants — one each during any eight-hour shift — was employed.

The doctors "have to be taught to let someone else be their eyes and their hands, to probe and poke and observe for them over the radio," Mr. Pickett said. "They found it was very difficult."

He said the computer contains lists of hospitals, burn and toxic centers and helicopter services along every coast.

France stores low-level waste in drums at a 30-acre site at La Manche.



Joseph Pappo, The New York Times

Germany is conducting tests to store high-level waste in huge salt domes.



Joseph Pappo, The New York Times

Sweden plans to sink waste of medium-level radioactivity into granite below the Gulf of Bothnia.



Joseph Pappo, The New York Times

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Joseph Pappo, The New York Times

SCIENCE

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France has developed a vitrification process, in which high-level wastes are incorporated into borosilicate glass at Marcoule, but it is still not clear where France will be able to dispose of the wastes permanently.

In 1978, after five years of pilot plant operation, France's large AVM (Atelier de Vitrification Marcoule) plant started up, and by last year it had turned 13,400 cubic feet of concentrated high-level wastes into glass.

Roughly 40 gallons of a molten glass and waste mixture are poured into a three-foot stainless steel canister. The canisters are stored temporarily in wells, ventilated for cooling, beneath the Marcoule plant. Each of the 220 wells has a capacity of 10 canisters, to provide storage for a decade's output of 10 nuclear plants, each generating 1,000 megawatts, according to Jean-Marie Lave, director of the French disposal program. Several decades of storage will be needed before the canisters are cool enough for burial.

In search of a permanent disposal site, holes have already been bored, one of them more than 3,000 feet deep, into granite of the Massif Central at Auriat.

Political Problem

West Germany's original intent was to establish a single center for processing spent fuel and disposing of nuclear waste. Attention focused on salt domes in northern Germany and, in 1977, on Gorleben, close to the East German border. Local authorities requested a review of the project by international specialists, who in 1979 found that, while it appeared safe, the political feasibility of a large reprocessing plant was doubtful.

The Germans have since decided to make Gorleben their disposal site, but, for fuel reprocessing, smaller plants are envisioned at other locations. At Gorleben, drilling of shafts for the disposal mine began in February.

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In Britain, tests are being conducted in a number of bore holes in granite. Exploratory drilling has been conducted in northern Scotland; the heat response of Cornish

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Granite 165 feet underground has been subjected to tests for more than three years. Britain operates a major reprocessing center at Windscale.

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The Netherlands is also interested in salt deposition, primarily in

offshore salt domes, far from communities that might protest.

Probably the most innovative approach is that of Belgium, which has no suitable salt or granite deposits. It is seeking to carve a repository out of the extremely homogeneous and impermeable clay deposit on what was a sea floor 35 million years ago.

About 525 feet under the Belgian nuclear research center at Mol, this clay forms a layer 360 feet thick. Disposal directly below the center would be ideal. A shaft has been sunk 720 feet, penetrating this layer, and horizontal tunnel is being excavated for tests of the clay's suitability for storing medium and low-level waste.

Drawback of Clay

The chief drawback of such a clay deposit, however, may prove to be its low level of heat conductivity. Conceivably, heat would build up to unacceptable levels un-

less the high-level waste was stored above ground until relatively cool.

Granite is a better conductor.

Another drawback to clay deposition is the difficulty of building in a deep, high-pressure clay deposit that continually seeks to close any cavity.

Italy also has extensive clay deposits. It is able to study the long-term effects of heat on such material because some deposits, such as those near Pisa, were penetrated by volcanic material as much as 41 million years ago.

While there appears to be general agreement among Europeans that low and medium-level wastes will have to be disposed of on their own territories, some specialists are still concerned about public acceptance of high-level wastes, even in the deepest deposit of granite, salt, volcanic rock or clay. They would be happier if it was carried far away — to a midocean island or a seabed depository.

\$20 a Minute to Deal With Sickness at Sea

By Kevin Noblet
The Associated Press

NEW ORLEANS — Despite a \$20-a-minute price tag, a new high-technology approach to treating illness and injury on the high seas is catching on.

Medical Advisory Systems Inc.

offers around-the-clock medical aid to ships by radio. It is an ambitious undertaking, considering death's advantage on ocean-going vessels — only seven in 100 heart attack victims survive at sea, according to a company statement based on U.S. Coast Guard statistics.

Ronald Pickett, chief executive of the company, places part of the blame on an ill-equipped, cumbersome government system that does too little too late for crewmen often a thousand miles from the nearest doctor.

"The men need us," Mr. Pickett said of his company's program.

His opinion was echoed by the first major steamship line to sign a contract, Lykes Bros. Steamship Co. of New Orleans.

Lykes signed in late May, joining Amoco and other oil tanker companies. The company started in January.

It didn't take long to pay off,

said Christfield Urner, medical director of Lykes. He said a crewman recently developed severe stomach pains on a ship a day out of Miami. A quick call to the medical firm's headquarters in Owings, Maryland, and a doctor was able to assess and treat the problem over the radio.

"The man got well

ECOWAS in Cotonou, May 1982

The fifth session of the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS), met in Cotonou, People's Republic of Benin, 28-29 May, 1982. Attending the meeting, which was at the level of Heads of State and Government, were the heads of state of twelve of the sixteen member states of ECOWAS: (Benin, Ghana, Guinea, Ivory Coast, Liberia, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta), the Prime Ministers of two (Cape Verde and Guinea-Bissau), the Ministers of Economic Planning from the Gambia and the Minister of Finance of Mali.

In their closed session, the Authority heard a statement from the President of Nigeria, Alhaji Shehu Shagari, which by consensus was agreed should be attached to the communiqué of the meeting. The Nigerian President recalled that it was seven years since the Organisation came into existence, and it was only wise that stocktaking should be made of achievements and problems encountered, so that "new, clear and concise directives and guidelines" could be given.

After stressing the need to implement community decisions, President Shagari commanded for adoption a Community target of self-sufficiency in food production within the next five years, a target "much more ambitious than that provided in the Lagos Plan of Action." Given the agricultural potential of the sub-region, coupled with strong political commitment, he was convinced that the objective could be achieved. He also urged the priority be given to the development and maintenance of roads that link the countries of ECOWAS. "Collective self-reliance will be a dream if we cannot transport products from one country to another."

National development programs should give greater attention to those projects that will foster the integration in the Community. The ECOWAS Fund should also be operated in a "thoroughly business-like manner similar to other international financial institutions." The rules of decision-making for the Council of Ministers and Commissions should be made more flexible to allow them to take decisions on purely administrative matters "that do not impinge on the sovereignty of member states."

The meeting then took a series of decisions, outlined in their closing communiqué. In the field of energy these were: the creation of a Fund for the Development of Energy Resources, the proclamation of the decade 1983-93 as "Reforestation decade," and the reinforcing of the Community energy policy. In agriculture, the Authority adopted a regional strategy for agricultural development in ECOWAS, which had been prepared in the previous year, as well as a specific decision relating to the production of selected seeds and the choice of production centers, and a call for solidarity between member states in the course of international negotiations on primary agricultural products. There was also a decision on stockbreeding centers.

On Social and Cultural questions, the Authority decided on an information program related to the Protocol on the Free Movement of Peoples, the granting of scholarships, student exchanges, the creation of an ad hoc committee on the equivalence of diplomas within ECOWAS, the adoption of a general program of cultural exchanges, the organization of sporting activities within ECOWAS, and the creation of an ECOWAS prize. Lastly, the Authority decided that the cost of the construction of permanent headquarters (in Abuja for the Executive Secretariat and in Lomé for the ECOWAS Fund) would be borne by the Community. After signing a number of protocols and conventions, the Authority concluded its meeting by approving the dates of their next conference: May 28 and 29 in Conakry, capital of Guinea.

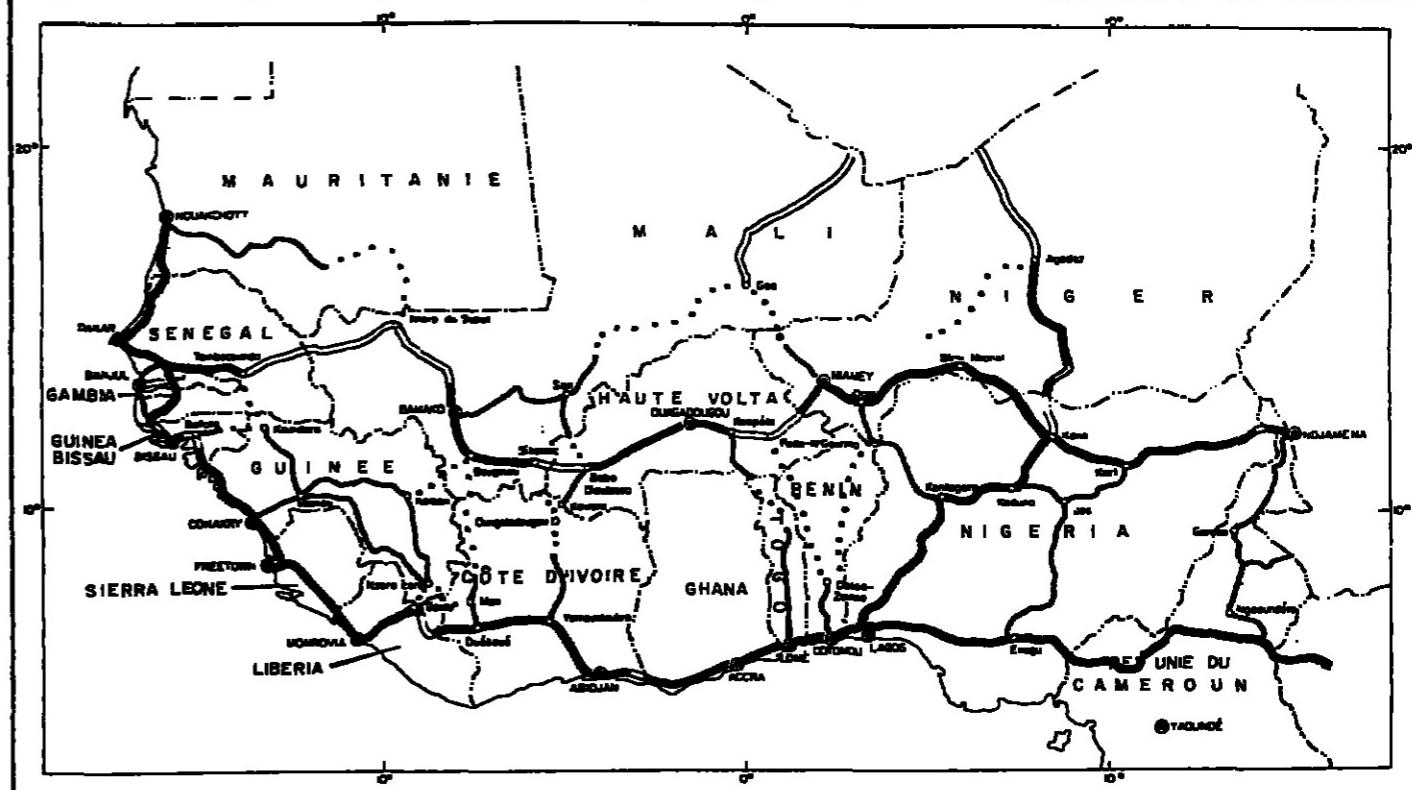
Road Transport (TIE) and the Interstate Road Transit (IR) Conventions. These conventions were also related to the free movement of persons and are "meant to remove the many administrative barriers between Member States and facilitate economic and social intercourse among the various peoples of the sub-region" (these two conventions were subsequently signed before the end of the summit). The Sierra Leone President also noted that satisfactory progress had been made during the year towards the development of the telecommunications network and the two Trans-West African highways.

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TRANS-WEST AFRICAN HIGHWAY NETWORK



TWO EXAMPLES OF RECENTLY DEVELOPED ECOWAS POLICIES

a) The ECOWAS Agricultural Development Strategy.

In the sixteen member states of ECOWAS (population c. 140 million) around 60 per cent of the population still live and work in the rural areas and depend mainly on agriculture for employment and income. Agriculture, however, is estimated to contribute about 27 per cent of Gross Domestic Product, overall for the Community, and during the last decade, the development of the agricultural sector has failed to keep pace with the general process of economic growth and increases in population, though food production, and agricultural production as a whole have increased at about 2 per cent per annum, the Community has become a net importer of food. There are declining self-sufficiency ratios for all food items, with significant shortfalls in wheat and rice, sugar, beef and milk. Net imports of these commodities are largely balanced by net exports of fruit, vegetable oil, cocoa and coffee.

To meet increased demand resulting from population growth and rising per capita incomes, the Food and Agriculture Organization (FAO) has estimated that aggregate agricultural production should grow at an annual rate of 3.3 per cent, up to the year 2000 maintaining the present level of agricultural self-sufficiency. This target implies a considerable intensification of agriculture over the present levels, including the development of irrigation, selective mechanisation, the more effective use of fertilizers and pest controls, and the use of improved seeds. Substantial increases are needed in cropped area, crop yields, livestock numbers and livestock production performance. The FAO estimates the necessary investment for the whole Community as being \$1,867 million (constant 1975 prices) in 1980, rising to \$3,426 million in 2000, to cover land improvement and equipment, livestock, storage and marketing, transport and processing.

The ECOWAS Council of Ministers in November, 1981 directed that a coherent and comprehensive sub-regional agricultural development strategy should be formulated, which was duly prepared and considered by a meeting of ECOWAS agriculture ministers meeting in Cotonou in May, 1982, shortly before the summit, which gave its seal of approval to the same strategy. The belief of ECOWAS is that "the adoption and pursuit of an overall approach will enhance and support the agricultural development programs of member states. The gradual harmonization of policies and the establishment of collaborative projects of mutual interest hold the potential for very sub-

regional self-sufficiency in food by the year 2000, by taking action to promote production, to reduce losses and to improve distribution.

Among the different elements of the strategy are, firstly nutrition. The great majority of the West African population continue to consume traditional foods, and a substantial minority do not have access to an adequate and balanced diet. Higher food prices which can occur in the process of economic development, create particular hardship for people on low and fixed incomes, who already spend a large proportion on food. "Given the wide variations in incomes and food availability within and between member states, vigorous action is needed to minimize malnutrition and under-nourishment.

Secondly, the strategy stresses crop production. For most member states this is the pivot of their economies, for food, for the supply of raw materials to agro-industries and for exports. This requires a more commercial approach to crop production, though not necessarily on increase in scale. For West Africa as a whole it is estimated that slightly more than half the desired increase in crop production will come from extending the area cultivated, and the balance from increased intensity of production based on major technological improvements. Present difficulties include "unsuitable land tenure systems, low-yielding varieties, an over-reliance on natural climatic factors and tedious labor-intensive methods of cultivation and harvesting. The application of draft animals and a rational form of mechanization to cultivation, and efforts to harness and manage water resources, hold particular promise for the sub-region." Returns are likely to be higher if each ecological zone specializes in the crops for which it is best suited. Further progress on zonal specialization depends on the expansion of trade between member states.

A third element in the strategy is livestock production. Emphasis is placed on an overall approach

and technical cooperation in the energy field between all member states and the outside world. The policy also calls for a concerted program to acquire "adequate capability to deal with every link in the entire chain of activities relevant to conventional energy sources, especially coal, petroleum and natural gas — from exploration right through to the delivery of products to the final consumer."

The policy envisages harmonized energy policies, "collective diversification" of energy supplies, quid pro quo arrangements for interchange of raw materials and finished products, a comprehensive energy map, joint requests for technical assistance from more advanced countries, short term projects, an energy development fund, a number of conservationist approaches, a "Marshall plan" for skilled manpower, the maximizing of efforts towards the application of nuclear power for electric power production and other peaceful uses, and the evaluation of the potential contribution of each of the new and renewable sources to the Community's energy.

The policy concludes with a warning: "Hardships arising from a combination of adverse forces in the energy field are already felt within all the member states of the ECOWAS. It will be suicidal not to accept that these problems do exist and are worsening daily. Timely decisions and actions must be taken to prevent an already very bad situation from reaching the stage of catastrophe for the entire people of ECOWAS".

b) ECOWAS INTEGRATED AND COMPREHENSIVE ENERGY POLICY

In order to implement such a policy, it is argued that some level of centralization of the decision-making process is needed on all government energy functions and responsibilities. Thus the Authority recommended that every member state should establish a body within the machinery of government to be charged with coordinating and supervising all energy functions and activities within each member state. These functions and activities include:

(I) energy resources inventory; (II) energy manpower development; (III) energy information bank; (IV) energy research and development; (V) commercialization of energy research results; (VI) establishment of energy-related industries. These bodies, or Commissions, should also deal with a further wide range of subjects, including protection from the hazards of energy exploration, the generation of indigenous scientific, technological and managerial capacity and the building of adequate research, capacity, measure and methods for conservation of energy raw materials and readily consumable energy, information gathering, etc.

The policy also recommends the pooling of professional expertise within the Community to tackle jointly aspects of ECOWAS' energy equation, for example the acute shortage of fuelwood, and the ecological hazard of desertification. There should be a closer inter-action among the energy professionals of all member states, and a har-

"Faced with all the evils from which our countries suffer cruelly, and which have for names, galloping inflation, ceaseless deterioration of the terms of trade, more and more accentuated pauperization of the mass of the people in our towns and countryside, all negative factors which inevitably bring a disturbing lowering of productivity, and a more and more marked dependence of our States vis à vis the developed countries, we should devote all our resources to mobilize, organize and discipline all our productive forces, all our energies and all our creative genius, to make of ECOWAS a really efficient and operational instrument of balanced development in the West African sub-region, in affirming courageously, through the tough and relevant decisions which will emerge from our work, our common political will to surmount victoriously, against all adverse currents, all the obstacles which will surely confront us in the process of integrating our national economies."

From the opening speech

Extracts from speeches at the ECOWAS conference

My own assessment of developments so far gives me much cause for satisfaction, but also some reason for concern. Some of the latter I should like to highlight in this brief intervention leaving others to be touched upon during our deliberations. Firstly, I wonder if we truly view ECOWAS in its proper perspective. For example should ECOWAS substitute for developments that should normally be carried out at the national level? ECOWAS should mainly provide a framework within which development programmes should be effected. It should act as a motivator on the attainment of our national development effort. It also has an obligation to promote collaborative effort where individual country actions cannot lead to desired results. This is the only way we can achieve maximum result of minimum cost. Our effort must, therefore, be directed at creating a framework within which national actions supported by Community actions, where necessary, will foster the rapid development of the Community as a whole.

I believe that we can do a lot more than we have done so far. I should also stress the generality of our people with the work of the Community. Several of our people still know little or nothing about ECOWAS. Although I am aware of proposals to use sporting links and more effective mass-communication system to bring

but a reality. We cannot and must not fail.

From the speech by President Shehu Shagari of Nigeria.

Our modest achievements such as I have cited rather than making us complacent should be a source of encouragement for us to score greater successes in the future especially as we have now reached what can be appropriately described as the implementation stage of our community projects. Attention should now be focused on achieving greater efficiency in the management of the various organs within the Community.

If I may be allowed to touch on one of the institutional arrangements within our Community; perhaps the time has come when we should give some thought to the convening of more frequent meetings than at present. Admittedly, our individual domestic calendars may place some constraints on this idea but I believe that the once-a-year Summit of Heads of State and Government of ECOWAS does not adequately provide us with sufficient time to discuss and deal with the many issues affecting cooperation within the region. We therefore need to devise means whereby contact could be easily established among ourselves, even if at the Ministerial level, in the interest of the Community's

From the statement presenting his report by the Executive Secretary of ECOWAS,

Dow Jones Averages

Open	High	Low	Chg/Prev	Chg%
101.23	97.34	96.42	-0.15	-0.15
122.25	122.25	121.75	+0.50	+0.42
117.23	117.52	115.45	+1.08	+0.92
138.43	132.96	132.95	+1.03	+0.75
151.11	150.77	152.63	-1.85	-1.22
65.51	54.76	53.67	+1.03	+1.83

Market Summary, Sept. 8**Market Diaries****AMEX Stock Index****NYSE Index****Standard & Poors Index****Odd-Lot Trading in N.Y.****Dow Jones Bond Averages****AMEX Most Actives****NYSE Most Actives****Composite****Industrials****Utilities****Finance****Trans.****Transport****Finance****Trans.**

BUSINESS / FINANCE

THURSDAY, SEPTEMBER 9, 1982

WALL STREET WATCH

By EDWARD ROHRBACH

European Fund Managers Say They Missed the Dow's Surge

If you've sat paralyzed during Wall Street's spectacular summer-end surge, strangled like a rabbit caught in the gaze of a cobra, is it too late to join the buying spree?

First, take consolation from the fact that hardly any market experts saw the turn before economist Henry Kaufman of Salomon Brothers threw in the towel on his sky-high interest rate forecast, touching off the market's fastest start in breadth and averages for the past 30 years.

Even the Professional Tape Reader, whose editor Stan Weinstein claim-vocally announced July 9 that the bear market was over and told subscribers to his market-advisory letter to go 100-percent long, got sweaty palms as the Dow Jones industrial average threatened a free-fall from the 770 level in mid-August, just before the rally he backed off to advocating a 25-percent cash reserve for investors.

Second, take heart that apparently few money managers outside Wall Street were quick or flexible enough to join big-money institutions in the United States in falling over each other to buy stocks.

"Europe essentially missed the explosion," said Herman Schweizer, who handles institutional investments for Bank Julius Baer in Zurich. But he believes a correction will come because more signs are needed that the U.S. economy is really improving and the world is overextended in terms of credit. He said the bank has been selling into the rally. It would become interested in buying around the 850 level of the Dow.

Expectations of a "decent" correction, possibly as much as 100 points, were echoed by Peter Stevens, manager of securities research at Bank Mees & Hoepe in Amsterdam. He agreed that few Europeans took the Wall Street plunge in August, especially the big pension funds and insurance companies, which are less flexible about committing money. He is also troubled by uncertainties over the health of the U.S. economy and whether blue chip stocks are really blue chip long term." He cited Eastman Kodak and Xerox, both of which have had sizable gains and are the type of stocks that have led the rally.

Thierry Vandeventer, vice president in Geneva of Capital Research, an institutional investment company, observed that few firms investing money in Europe got in on Wall Street's surge and that they are now expecting a "pullback that will give them a second chance." Noting that many Swiss bankers are fearful of a world financial crisis, he said that such a development, or even merely disappointing earnings when U.S. companies begin reporting third quarter results in October, would scare stocks into a significant retreat.

Safe in Cash

European money managers and investors still wanting in will help cut short any profit-taking corrections that afford good buying opportunities, according to Philippe Triplet, a partner in Bordin & Cie. He said the Geneva bank therefore is mostly upgrading its portfolio in high technology stocks, selling those in weaker financial condition and buying better quality issues like IBM, General Instruments, M/A-Com, AT&T and several over-the-counter stocks with good balance sheets.

Karl Von Horn, head of international investments for Morgan Guaranty, London, said most European money managers stayed on the sidelines partly because many have been in cash and "didn't ride the market down in the first place."

A check with brokerage firms around Europe showed that while American institutional investors generally continue to be very bullish, the inclination is to sell into the rally. Mark L. Landean, managing director of Drexel Burnham Lambert, Paris, said selling was running three to one ahead of buying stocks in his office.

But typical of Wall Street's rosy outlook is Shearson/American Express, which says the bull market is "real and likely to persist." Gerald T. Rofe, chairman of the firm's investment committee, says: "With the right government policies in 1983 and 1984 and some good luck, the Dow Jones' 1,000 level can finally become a floor and no longer the ceiling it has been for the last 17 years."

One of the dwindling number of U.S. bears is Joseph Granville. In his latest market letter he quotes from his March 6, 1982, edition: "The final hook in this market will be the Kaufman Hook. He will finally tell you that interest rates are headed significantly lower and you will take that as a market buy signal, forgetting that in the final phase of bear markets interest rates have peaked."

International Herald Tribune

Doubt Clouds Fanfare at Boeing 767 Takeoff

By Thomas C. Hayes

New York Times Service

LOS ANGELES — The first commercial flight of Boeing's 767, United Airlines Flight 1767 from Chicago to Denver, was made on Wednesday with a champagne christening and appropriate festivities.

But because of the industry's generally poor financial condition and other factors, such as weakening oil prices and European competition, the 767 is being introduced into an atmosphere filled more with uncertainty than proud anticipation.

Boeing Co. has not received an order for the 767 since July, 1981. The aircraft's assembly area, adjacent to the assembly lines for 747s in a plant in Everett, Wash., is turning out just two 767s a month, instead of the dozen anticipated when production planning began.

Bolivia Fails to Repay \$38 Million in Loans

United Press International

LA PAZ — Bolivia defaulted Wednesday on a \$38 million payment owed to a group of 125 U.S. and European private banks and financial institutions headed by the Bank of America.

It was Bolivia's first failure to repay private banks. The Bolivian government previously went into arrears on payments of \$4 billion in public debt.

The Central Bank, which is closed for a week because of an employees' strike, would not release the total figure owed to the foreign consortium.

Devaluations of Peso

A spokesman for a member bank, however, confirmed that the consortium had received no notice of payment on Wednesday.

The failure to pay was the latest signal of the current economic crisis here, the worst in Bolivia's history.

The Bolivian peso has been de-

taken place here at the end of the year, observers say.

The military government was expected this week to announce a controversial series of measures designed to help revive the economy.

The measures, approved by the International Monetary Fund, include the elimination of some subsidies and the setting of salary ceilings. Both measures are expected to lead to public protests.

Banks in La Paz remained closed for the second day in a row Wednesday because they were unable to secure cash for business transactions.

Cash flows have dried up because of the Central Bank strike, which began last week with a protest of the dismissal of two employees implicated in a false tin sale.

The deterioration of the national economy has sent our banking system into one of its worst crises ever," said Javier Zizazo, president of the Bolivian Association of

Hydro Projects In U.S. Running Into Rough Water

By Dan Gilmor

New York Times Service

BOLTONVILLE, Vermont — Cold, clear water thundered through the gaps of a ledge. "It's a tragedy," John Downs, who owns a share in the property, said, bemoaning the fact that the water would not be used at any time soon to generate electricity.

The location is one of thousands around the United States that could be turned into small but valuable hydroelectric projects. By fall, Mr. Downs said, the property at Boltonville might have been producing electricity to replace oil-generated power. Instead, it will not produce any, at least not this year.

The soaring energy prices of the 1970s created a surge of interest in projects such as the one contemplated at Boltonville. At one point, the Army Corps of Engineers said it would survey 50,000 sites around the country. Hydroelectric power, known in the industry simply as hydro, looked like a major source of energy for the 1980s and beyond.

Water power is clean, reasonably reliable and, once in production, invulnerable to fuel price increases. Hydro was also expected to benefit substantially from U.S. law, which requires electric utilities to buy "home-grown" private power at a price reflecting the cost of the electricity the power company would otherwise have used, generally from its most expensive source. Hydro developers thus could depend on a "floor" price for their product.

But things have not turned out as expected. "It's not the utopia or panacea people predicted early on," said Leslie Eden, editor of Hydro Review, a quarterly that keeps tabs on the fledgling industry. In a survey based on U.S. figures, Miss Eden's magazine found that, by 1985, there will be only 400 new projects in operation and their total output will be a tiny fraction of national electric needs.

Projects in the survey will produce less than 20,000 kilowatts of power apiece, at their peak. Most will be much smaller. By comparison, a large coal or nuclear power plant produces more than 1.2 million kilowatts. The survey estimated the total output from small hydro projects at slightly more than a million kilowatts, less than a single nuclear reactor.

When in 1965 Mr. Downs and a friend purchased their property, once the site of a power company's hydro installation, no one considered restoring the plant. The property became a fishing retreat. In those days, power companies that owned such plants dismantled them. Oil was so cheap that it was more expensive to fix a broken turbine than to buy oil-generated electricity.

Two years ago, however, Mr. Downs and his partner, Warren Kaplan, formed a partnership with Essex Development Associates, a Boston concern with experience in the hydro industry. For a half interest in the power sales, Essex agreed to develop and operate the site as the general partner. Mr. Downs, who is a lawyer in Burlington, Vermont, and Mr. Kaplan, a lawyer in Washington, became limited partners, each with a 25-percent interest.

Mr. Schleiminger said the BIS has not changed its position on the bridging loan. On Aug. 29 the BIS said it had granted the Bank of Mexico a \$925-million credit facility as part of the \$1.85 billion being



John Downs at his property in Vermont.

A major problem for hydro developers has been environmental repercussions. Damming a river, even a small one, can wreak ecological damage unless strict controls are enforced. Many developers have run into trouble obtaining water-quality permits.

Mr. Downs and his partners had no trouble with the permits. Their problem is one faced by most stalled developers now: cash.

"The primary ingredients in hydro are that it is capital intensive and tax intensive," said Eban Moulton, assistant vice president of the New England Merchants Bank in Boston, one of the few financial institutions actively working with developers of small hydro sites.

Enormous tax credits and incentives are available for developers of alternative energy. But, even combined with a relatively high purchase price for power in Vermont, these have failed to counter the effects of high interest rates and the softening of oil prices. Hydro plants are expensive to build, even if the power to run them is free.

"Financing is totally contingent on a long-term power contract with the utility," Mr. Moulton said. He added that power companies are reluctant to sign up for long-term transactions, arguing that they cannot tell what will happen to the price of other energy sources.

Mr. Downs said utilities are acting in their best interests, but other developers tell of recalcitrant power company officials who, they maintain, have done everything possible to avoid dealing with alternative electricity.

Utility spokesmen say hydro power from small sites is unreliable and is available mostly when it is least needed. Arthur Ristau, director of corporate relations at the Green Mountain Power Corp., Vermont's second largest utility, said the prices the company would otherwise pay for energy are generally far lower than the rate set by regulators. Moreover, he said, hydro is most plentiful during the spring, when the utility meets its needs with cheaper sources than oil.

BIS Denies Report of Mexico Loan Suspension

Reuters

BASEL — The \$1.85-billion

emergency financing arranged for Mexico through the Bank for International Settlements is still available, BIS general manager Günther Schleiminger said Wednesday. Monetary officials in Toronto had said Tuesday that the BIS had decided to suspend availability of the aid pending agreement on an International Monetary Fund loan to Mexico.

Mr. Schleiminger said the BIS has not changed its position on the bridging loan. On Aug. 29 the BIS said it had granted the Bank of Mexico a \$925-million credit facility as part of the \$1.85 billion being

made available in cooperation with Mexican monetary authorities.

In Toronto, Mexico's finance minister, Jesús Silva Herzog, said Tuesday in a brief written statement that Mexico had neither arranged nor sought to extend the 90-day moratorium on principal repayments of public sector external debt coming due between Aug. 23 and Nov. 23.

He issued the statement in response to Mexican newspaper reports quoting him as saying that Mexico would only pay interest on its \$65-billion public sector foreign debt until the end of 1983. Mr. Silva Herzog's official spokesman in Mexico City had confirmed that he

had made such a statement to Mexican reporters.

Referring to the 90-day moratorium period, Mr. Silva Herzog said Tuesday, "No other arrangements of any nature have been made, nor have been suggested by any party, and Mexico will present to its creditors within the 90 days a broadly based economic and financial program which would expect to address the liquidity situation of Mexico in a permanent fashion" as agreed with Mexico's major bank creditors Aug. 20.

Also Tuesday, the Bank of Mexico ordered the newly nationalized private banks and other credit institutions not to sell foreign currency, gold or silver until further notice.

■ Some Exports Banned

Mexico has banned all exports of tortillas, fruits, vegetables and many consumer goods without special authorization, in a move to stop bargain-hunting Americans living near the border from carting off such items after the devaluation of the peso against the dollar.

The bank said credit institutions should not receive deposits denominated in foreign currency for savings accounts, checking accounts, withdrawable deposit accounts on

pre-established days or on fixed-term accounts, or authorize any type of credit in foreign currency.

In another development, Imobiliaria Nikko Somex, a Japanese-Mexican joint venture company, postponed the planned construction of a 750-room hotel in Mexico City. The \$140-million project was due to start this month, financed by the Mexican Tourist Development Fund and a Eurodollar syndicated loan, but fund availability was affected by Mexico's economic problems.

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Saudi Grip on Oil May Be Slipping

A Retreat From Benchmark Could Put Prices in Tailspin

By Nicholas Moore
Reuters

LONDON — Western oil companies suspect that Saudi Arabia may be starting to lose its grip on the international oil market.

With Saudi production at a 10-year low, several industry executives said they believed the kingdom's power to determine world prices had never been so slight.

"They may be the biggest exporters but they are having to learn, like everyone else, that crude oil demand has plunged and they have to live in a buyers' market," said a senior U.S. oil company executive who declined to be named.

There is reluctance in the industry to be quoted for controversial comment on Saudi Arabia — an indication that companies still think a sudden shift in market forces might turn them back into supplicants at Riyadh's door.

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Sheikh Ahmed Zaki Yamani

that excessive prices were killing demand for OPEC oil and helping tilt the West into recession. The tactical retreat made on top prices compared with 10 million during 1981, and oil companies generally believe the Saudis need to produce six million a day, at \$34 a barrel, to meet financial needs.

The Saudi price still serves as the benchmark for the Organization of Petroleum Exporting Countries, and if they joined the discreet OPEC price-shaving to restore sales, world prices could go into an uncontrolled drop.

A year ago the Saudis held all the cards. In the summer of 1981 they flooded the market to force OPEC to accept the \$34-a-barrel benchmark, exacting unprecedented price reductions by militant members Iran, Algeria and Libya.

The Saudi oil minister, Sheikh Ahmed Zaki Yamani, said then

however, that the Saudis appeared trapped. Their output is down to about 5.5 million barrels daily, compared with 10 million during 1981, and oil companies generally believe the Saudis need to produce six million a day, at \$34 a barrel, to meet financial needs.

But the lesson, once taught, was to prove costly to the Saudis themselves. Demand for OPEC oil has fallen further, to about 16 million barrels a day last spring, against a 1979 peak of about 32 million.

And the one-time militants, having discovered that cutting prices did not entail the unbearable loss of face they had once feared, have responded by marking prices yet lower, sometimes below OPEC-mandated levels, in a scramble for buyers.

Iran openly charges \$31.20. Algeria, Libya and Nigeria officially price their better-quality crudes just \$1.50 a barrel above the Saudi benchmark — far too small a "quality differential," say the Saudis, even without the secret discounts that other OPEC members allege that Libya is offering.

Libya, if it is discounting, is not alone, according to OPEC's own experts. They found recently that the average price of OPEC crude in the market was less than \$32 — against a theoretical average of mandated prices of \$33.20.

Saudi Arabia traditionally regards adhering to OPEC-mandated prices as a matter of honor; it has, accordingly, stuck with the \$34 that it engineered last year. The result is that the output of others has edged up, while the Saudis' has slumped.

The kingdom does have about \$150 billion in financial reserves, but Western bankers say they detect a marked reluctance on the part of the Saudis to dip into those to make up lost oil revenues.

The Saudis have been warning OPEC since July that they, too, will join the price-cutting spree unless something is done to make their oil more competitive. Essentially, they want the African sellers of top grades to charge more.

The Africans have hardly been enthusiastic, OPEC sources say. And Iran, challenging the Saudis politically in the Middle East, is right for the kingdom to produce only five million barrels a day and make sacrifices for its OPEC brothers.

Tensions in the cartel may mount if, as the group predicts, demand for its oil edges above 21 million barrels a day toward the end of the year and members begin to compete anew for the extra market share.

Chemical industry sources said the companies have suffered new setbacks recently in Latin America, where sales have dried up as a result of the region's debt problems.

In addition, there has been a seasonal slowdown this summer in volume sales, in contrast to the unusual strength of the chemicals business during the third quarter of last year, the industry sources said.

In the first half of 1982, BASF World Group earned \$45 million DM before taxes, a 35-percent decline. Turnover increased 1 percent to 722 million DM.

An analyst said that earnings at that level will be insufficient after taxes to support a 7-DM dividend.

German Analysts See Lower Chemical Profit

By Donald Nordberg
Reuters

FRANKFURT — Weak first half results among major West German chemical producers have prompted investment analysts here to trim their forecasts for profit this year.

Of the three major chemical companies, BASF AG has had the biggest problems. Analysts have expressed doubt that it will be able to justify holding its dividend at the 7 Deutsche marks (\$2.80) a share paid in 1981.

Hoechst AG and Bayer AG profits are holding up better. But there is some speculation that they, too, may cut their dividends, which were also at 7 DM last year.

In recent weeks, the share prices of all three companies have fallen to near their postwar lows, with BASF and Bayer around 110 DM and Hoechst near 105. Yet, even with dividends of, say, 6 DM, they would still yield domestic investors 8.5 to 8.7 percent, more than most West German shares and about as much as domestic bonds, analysts said.

Strengths Lead to Weaknesses

All three are heavily dependent on export earnings and have been especially hard hit in the United States, where the recession has intensified price competition, the analysts said.

The United States was a particularly lucrative market in 1981, when the mark's relative weakness against the dollar allowed for increased exports. But the mark is not much weaker against the dollar than last year, and there is little room to improve on last year's high level of exports, the analysts said.

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But the fall was enough to prompt Westdeutsche Landesbank to cut its forecast for Bayer's dividends to 12 DM a share this year, from a previous forecast of 14.50. The 1981 dividend was 15 DM.

He suggested a dividend of 6 DM as most likely. Last year's dividend was 284.6 million of the world group's net profit of 371.5 million DM.

He said full-year figures are difficult to project because of extraordinary items tallied at the end of the year. But, he added, because of the structure of corporate income taxes, the tax bill will not decline in proportion to the drop in pretax earnings.

Analysts noted that BASF's strengths last year are among the reasons for its relative weaknesses this year. It is burdened by having its own supply of crude oil, when oil can be had more cheaply on the spot market. Also, they cited a decline in business for its potash subsidiary, Kali & Salz AG. That company recently announced reduced working hours.

BASF also faces large operating losses from its commodity plastics business, after a loss of 190 million DM in 1981. Westdeutsche Landesbank Girotzentrale analysts now expect BASF to earn 11 DM a share this year, compared to 16 DM in 1981. The forecast late in July was 14.50 DM.

Other investment advisers said they are considering similar adjustments.

At Hoechst, first-half pretax profit fell 20.5 percent, to 558 million DM. Turnover rose 4.5 percent, to 17.9 billion DM. Analysts noted its earnings have been hurt by commodity plastic operations in particular.

Hoechst's chairman, Rolf Sammet, has said the group will try to hold its dividend at 7 DM, although some analysts saw this as a veiled warning not to regard the payout as a certainty.

Westdeutsche Landesbank has reduced its estimate of Hoechst's dividend by 2 DM, to 11 DM a share this year, compared to 13 in 1981. Another analyst said he might consider cutting it another mark.

Because it does not have a large plastics business and is able to capitalize on lower oil prices, Bayer has registered the best performance of the three. First-half pretax profit was down 17.7 percent, to 722 million DM.

But the fall was enough to prompt Westdeutsche Landesbank to cut its forecast for Bayer's dividends to 12 DM a share this year, from a previous forecast of 14.50. The 1981 dividend was 15 DM.

BUSINESS BRIEFS

Thomson-CSF Chairman Resigns

PARIS — Jean-Pierre Bouyssonic, chairman and chief executive officer of Thomson-CSF, resigned Wednesday. Thomson announced. A French radio report said he was dismissed by the board, but gave no reason. The company's directors named Alain Gomez — appointed in February as administrator of Thomson — then newly nationalized parent group, Thomson-Brandt — to replace Mr. Bouyssonic.

The board named Mr. Bouyssonic honorary chairman of the company. Mr. Gomez praised his predecessor's 30 years of service to the Thomson group and his "decisive role" in the creation of Thomson-CSF, which makes electronics and communications systems.

Paley Stepping Down at CBS

NEW YORK — William S. Paley announced Wednesday that he will step down as chairman of the board of CBS next April 20 after 55 years in the post.

Mr. Paley, who founded the Columbia Broadcasting System in 1923 and guided its fortunes as it grew into a giant of the television industry, will be succeeded by Thomas H. Wyman, now president and chief executive officer of CBS. Mr. Paley will remain a director of CBS and continue as chairman of the executive committee of the board in a consulting role.

Mr. Paley said he planned to become a partner in Whitcom Investments Company, which is the sole stockholder in Whitney Communications Corp. As well as U.S.-based magazines, newspapers and cable television interests, Whitney Communications owns one-third of the International Herald Tribune. Other owners of the Paris-based newspaper are The New York Times and The Washington Post.

Mr. Paley will be 82 on Sept. 28. Rumors about his retirement had been circulating for weeks, but until his announcement there had been no confirmation.

Cetus Expects No Profit This Year

BERKELEY, California — Cetus, one of the founders of the gene-splicing industry, expects to report no profit for the rest of this fiscal year. The company also said it had reduced its staff by 40 persons, leaving a total of 463 employees.

Net income for the year that ended June 30 was \$4.5 million, the company said Tuesday, but write-offs for discontinued programs and lower interest income will leave Cetus operating "close to break-even" for the next year. The net for fiscal 1981, when the company was getting off the ground, was \$744,000.

The company said it was discontinuing several long-term research projects to focus on biotechnology products with greater likelihood of early commercial use.

Run on a Hong Kong Bank Subsidiary

HONG KONG — A run on deposits at Hang Lung Bank, in which investors withdrew 70 million Hong Kong dollars (\$11.6 million), subsided Wednesday and the bank recovered morning withdrawals of about 10 million Hong Kong dollars with new deposits, a spokesman said.

Calling Wednesday's deposits "unexpected and a constructive sign," the spokesman added that the bank expects the full amount eventually to be covered by new deposits as confidence returns.

The bank's clearing bank, the Chartered Bank, said in a statement that it was satisfied that the operations of Hang Lung were based on sound banking principles.

Fluor Sees Hope in Interest Drop

IRVINE, California — Fluor, which reported an increase in net income for its third quarter that ended July 31, says the recent drop in U.S. interest rates will be a "positive factor" for its engineering and construction businesses. It said lower rates should help revive the economy and stimulate prices for lead and zinc, both mined and smelted by Fluor.

Compiled From Agency Dispatches

Indonesian Aides Believed to Seek New Borrowing

JAKARTA — The Bank of Indonesia's governor, Rachmat Saleh, has had a series of meetings here with representatives of major Western banks to discuss terms for a possible new general-purpose credit of \$300 million to \$500 million, foreign bankers said Wednesday.

Mr. Saleh and Finance Minister Ali Wardhana were continuing their talks on a loan with bankers attending the International Monetary Fund and World Bank meeting in Toronto, the bankers said.

A spokesman for the Finance Ministry said he could not comment on the matter because the minister and senior officials were in Canada. Bank of Indonesia officials were not available for comment.

If such a loan were taken up, it would have raised more than \$1 billion in credit on the commercial market in 12 months. Bankers believe the extra borrowing will be necessary to cover payments deficits and to avoid a serious drawdown on official reserves. These, together with about \$4 billion held by Indonesian banks abroad, are still considered a foreign exchange cushion.

Indonesia's ambitious development plans have been dented by the oil glut and world recession. President Suharto, faced with seriously declining foreign revenues, recently denied rumors that the rupiah would be devalued in an attempt to improve terms of trade. But the country's balance of payments position has been deteriorating.

Gold Markets

	AM.	P.M.	Closes
London	\$72.50	\$73.50	\$73.25
London (12:30 p.m.)	\$72.50	\$73.50	\$73.25
Zurich	\$72.50	\$73.50	\$73.25
Paris	\$72.50	\$73.50	\$73.25
New York	\$72.50	\$73.50	\$73.25
Officer Ratings for London, Paris and Zurich: Gold, 100%; Silver, 90%; Copper, 80%; Nickel, 70%; Lead, 60%; Zinc, 50%; Tin, 40%; Cadmium, 30%; Manganese, 20%; Cobalt, 10%; Ruthenium, 5%			

Gold Options (prices in \$/oz.)

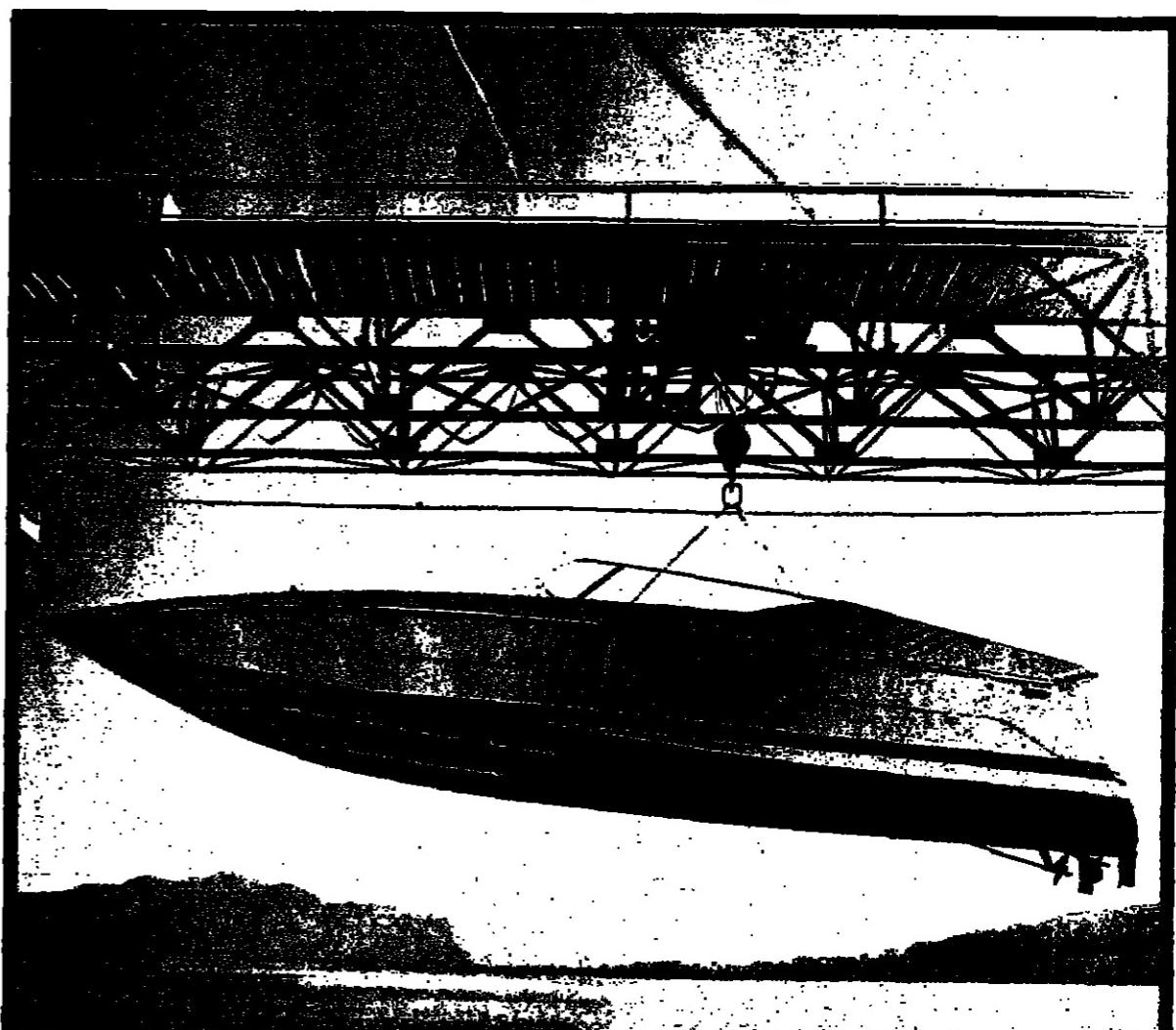
Price	Nov.	Feb.	May
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Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street.

Sept. 3	Singapore	Class	Prev.	Class	Prev.
	Boulevard	1.73	1.73	Itoh	242
	Cold Storage	3.24	3.26	JAL	2,340
	DPS	7.59	7.65	Kalimo	316
	FroserNeave	5.55	5.65	Kontak Pwr.	927
	Haw Par Bros	2.44	2.48	Kao Soap	489
	Inchcape	2.13	2.19	Kaw Steel	132
	Kepel Ship	5.47	5.47	Kirin Brew	358
	Melody Baking	5.70	5.85	Komatsu	357
	OCBC	7.75	7.95	Kubota	488
	OUB	4.22	4.39	Lamson El. Ind.	1,160
	Semb Shipyds	2.28	2.27	Marine Ind.	375
	St Simeonship	1.51	1.54	Mitsubishi Bk	225
	St Tresaghi	4.22	4.22	Mitsubishi Chem.	225
	U Engineers	1.17	1.17	Mitsubishi Corp.	489
	UOB	3.36	3.60	Mitsubishi Elec.	201
	Froser Ind. Index	3,760.53		Mitsubishi Heavy	291
	Previous: 3,522.11			Mitsui Co.	297
				Mitsukoshi	329
				Mitsumi	329
				Nikko Sec	350
				Nippon Elect.	350
				Nippon Steel	123
				Nippon Yusen	157
				Nissan Motor	724
				Sumitomo	474
				Chrysanthus	1,145
				Ricoh	570
				Sharp	811
				Sany Corp	3,550
				Sumitomo Bank	500
				Sumit. Chem.	144
				Sumit. Metal	133
				Taisei	224
				Tokuda Mar	210
				Tokuda Mar	614
				Tellin	267
				Tokyo El Per	265
				Tokyo Marine	422
				Toshiba	356
				Toshiba	357
				Toyo Keave	354
				Toyota	350
				Yamaichi	345
	New Index: 538.37				
	Previous: 538.19				
	Mitsui-DJ Index: 7,189.49				
	Previous: 7,209.45				
Tokyo	Zurich				
All ordinarries Index: 492.88	Altusuisse	430			
Previous: 492.69	Bk Leu	1,050			
	Br Boveri	840			
	Bushire	920			
	Ciba Geigy	1,265			
	Cr Swiss	1,550			
	Elektrowatt	2,570			
	Fisher	435			
	Hoff-Roche B	4,225			
	Interfood	4,225			
	Jainola	1,260			
	Jandina Gyr	1,260			
	Metlife	1,370			
	Socdroz	3,975			
	SBS	535			
	Schindler	1,425			
	Sulzer	1,510			
	Swissair	634			
	UBS	2,760			
	Winterthur	2,580			
	Zurich Ins.	14,450			
	SAC Index: 272.10				

Cariplo: the bank that propels Italy's most buoyant region



Lamprologus callipterus (Steindachner) (Fig. 10)

- A) That (The company having proved to the satisfaction of the court that it cannot by reason of its liabilities continue in existence, the court may wind up the same):-

 - (I) The company be wound up voluntarily;
 - (II) George Clifford Culmer, Geoffrey A. Lomax and John Forsyth Smith be appointed liquidators for the company, with power to act either jointly or individually;

and unanimously further resolved as follows:

B) That Messrs. George Clifford Culmer, Geoffrey A. Lomax and John Forsyth Smith, as liquidators appointed above, forthwith apply to the Supreme Court for a decree authorizing the voluntary liquidation of the company before the court.

The liquidators have filed for an order of the Supreme Court for supervision by the Court of the voluntary liquidation.

All communications to the liquidators should be sent to:

You couldn't mass produce a Riva St Tropez. Each one takes thousands of hours of consummate craftsmanship and unwavering attention to standards to build.

These are among the qualities that have helped Lombardy's 475,000 businesses make the region the most prosperous and the most productive in Italy, responsible for 33% of the country's total industrial output.

The region's success is the base from which we are expanding our international

CARIPLO

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all branch in London,
office, in Hong Kong.

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41; or at our Head Office,
ilan; or through our
representative offices
in Brussels, Frankfurt,
Hong Kong, New York
and Paris.

The Lombard Bank

ART BUCHWALD

A Hot Line in Moscow

WASHINGTON — Good news from Moscow! The Soviet Telephone Company, according to news reports, now has a 24-hour working number where you can call for counseling and psychiatric advice. The phones are manned by professional personnel from the "National Center for the Study and Prevention of Extreme Conditions."

What kind of calls are coming through? Here's my best guess:

"This is the Moscow Confidential Telephone. I am listing."

Buchwald

"I want to leave the Soviet Union. The police say I'm crazy."

"Why do you want to leave the motherland?"

"Because my father went to California, and he said it was a much better place to live, and he wants me to join him."

"Do you always do what your father tells you?"

"Not always. But this time I think he has a pretty good idea."

"You shouldn't make big decisions when you're depressed."

"I'm only depressed because they won't give me an exit visa to go to California. I don't want to spend another winter in Moscow."

"You can't solve your personal problems by moving somewhere else. You will only take them with you."

Old Chaplin Film Found in Britain

The Associated Press

LONDON — "How To Make Movies," a previously unknown Charlie Chaplin film about Hollywood moviemaking in 1918, has been discovered in a screen archive vault "somewhere in England," Thames Television has reported.

Eryan Cowgill, managing director of the London Commercial TV company, said the 23-minute film will be given its world premiere at the London Film Festival in November and shown on British television early next year.

He said the film, found in "rough-cut form," was partly documentary and partly Chaplinesque comedy and was "an amazingly funny essay."

"That's what you think. Just get me on a plane to California and I won't have a problem in the world."

"You're not in any condition to talk about getting on a plane. Come to the institute tomorrow and we'll talk about it some more."

"That's what the police told me."

"Listen to them. They know more than your father."

* * *

"Hello, is this the Confidential Telephone?"

"You sound angry."

"I am angry. How come the people in the U.S.S.R. don't have enough to eat?"

"You think we don't have enough to eat?"

"I know we don't have enough to eat. Have you been to the market this week?"

"Do you always get angry when you don't have enough to eat?"

"No, sometimes I do a dance and sing the 'Volga Boatman.' Why shouldn't I get angry when I don't have enough to eat?"

"Anger is dangerous if you don't know how to channel it. Who are you angry at?"

"The stupid officials in the government who don't know how to feed the people."

"You shouldn't get angry at them."

"Then who should I get angry at?"

"You can get angry at me."

"Why should I get angry at you. You don't have anything to do with collective farm planning do you?"

"No. But on the other hand I don't have the authority to send you away to Siberia for 20 years either."

* * *

"This is your Confidential Telephone. Do you have a problem?"

"No, I'm happy as can be. I have a two-room apartment I share with four other families, my son was captured in Afghanistan. I work two shifts at the steel factory, but only get paid for one, and my daughter has just been thrown out of the university for reading a book by Boris Pasternak. I've never been more content in my life."

"So why did you call?"

"Don't I sound nuts to you?"

"No. You sound like you're going through a mid-life crisis. It happens when anyone thinks he's achieved the Soviet dream."

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PEOPLE

Wenders' Film Wins

The West German film "Der Stand des Dinge" (The State of Things) by director Wim Wenders won the Golden Lion award, the Venice Film Festival jury announced. Another West German movie, "Imperativ" (Imperative) by Krzysztof Zamissi won the special jury prize. Other awards included: "Golden Lion for the best first film by a new director: shared between "De Staat van Water" (The Taste of Water) by Dutch director Orloven Senake and "Scopere" by Italian Luciano Odorisi. The prize for the best artistic-professional performance went to Russian Mikhail Ulyanov for his role in the movie "Castrina Zinn" (Private Life) made by Soviet director Yuli Raizman.

* * *

Actress Janet Gaynor is "awake and alert" but still in critical condition after an accident that seriously injured stage star Mary Martin, 68, and killed Martin's manager Ben Washer. Fans and celebrities jammed the switchboards of San Francisco General Hospital as doctors announced Gaynor will be hospitalized for four to six weeks.

"The outcome in her case will not be known for several days," said Dr. Frank Lewis, assistant chief of surgery, adding that Gaynor, 75, was breathing through a tube in her throat. Gaynor suffered a torn bladder and fractures of her collar bone, pelvis and 11 ribs. Martin suffered a bruised kidney, a broken pelvis and two broken ribs.

Gaynor's husband, Paul Gregory, 67, suffered broken legs. Lewis said Gaynor may require additional surgery but Martin and Gregory would not. He said Martin would be in the hospital for about two weeks. The driver of the van that smashed into their car, Robert Cato, 36, will be arraigned Friday on charges of manslaughter, drunken driving, reckless driving, speeding and running a red light.

Last October, Cato was charged with trying to run down a motorist after arguing with her about her driving, according to the San Francisco Chronicle. The charge was dropped when Cato agreed to seek psychiatric help and perform 10 hours of community service work, the newspaper said.

* * *

In tandem he is working on Luisa Vazquez's latest book and also on an anthology of the writings of Padre Antonio Vieira, a 17th-century Portuguese-Brazilian missionary and preacher. Rabassa received a fellowship from the National Endowment for the Humanities to do the latter work.

Rabassa checks his watch: time for a year-end graduate meeting. "I'm a New Englander," he says in passing, threatening to get thick with the accent, telling jokes. "New Englanders always like to see the other side of things. That's important for a translator."

Rabassa's methods are simple: book, dictionary, paper. "I don't even have an electric typewriter," he says. "On the east end of Long Island, we have thunderstorms and I don't want to be tongue-tied." He usually knows how long a book will take him to translate, and only outside circumstances delay him.

"Or else, it's time to plant the garden. I've got to put some more beans in," he says, scowling the redoubt of the novel's cover.

Rabassa also has been working on a novel of his own for the last 15 years. "I've just collected snip-



Gregory Rabassa

The Translator
Gregory Rabassa's Part in the Boom
In Latin American Literature

By Jason Weiss
International Herald Tribune

NEW YORK — When he was a young graduate student and lecturer, Gregory Rabassa used to go to hear Charlie Parker play at jazz clubs in New York and would talk with him at parties. Rabassa was working toward a Ph.D. in Spanish and Portuguese at Columbia University. By the time he left Columbia in 1968, after teaching there for more than 20 years, Rabassa, with his ear for the secret bridges between languages, was fast becoming what he is known as today: the preeminent translator of the new Latin American fiction.

His first full-length translation, of Julio Cortazar's novel "Hopscotch," won him a National Book Award for Translation in 1967. Still, it was not until his translation of Gabriel Garcia Marquez's monumental "One Hundred Years of Solitude" in 1970, that Rabassa and the vibrant worlds of the new writers became known to general English-language audiences. In 1977, he won a PEN American Center Translation Prize for another Garcia Marquez novel, "The Autumn of the Patriarch."

"Everything in my life has always been very serendipitous," Rabassa admits. Now 60, he never intended to be a professional literary translator. In 1960, the *Odyssey Review*, based at Columbia, asked him for advice on Latin American writers for a special issue, and soon he was also translating for it. When the magazine appeared, an editor at Pantheon asked him to do the Cortazar.

Leading Figures

Rabassa's career coincides neatly with what critics and journalists call the boom in Latin American literature. He has translated the major novels of most of the boom's leading figures, including "The Green House" and "Conversation in the Cathedral" by the Peruvian Mario Vargas Llosa, and Garcia Marquez's books, and the late Nobel Prize-winning Guatemalan, Miguel Angel Asturias.

English translations and the internationalization of the new Latin American writers "made them respectable," says Rabassa, although he insists that their work certainly stands on its own.

"The boom was a sign of cultural maturity in Latin America.

"They went back to the original novel, which was invented in Spain by Cervantes. But then the

"in day, when you studied a language by God you translated it. And I'm wondering whether we should bring that back a little. Not just for learning that language, but your own language. It helps with the writing, and then you can see the difference between the two languages."

"I think you also learn a language, like athletics in a sense, in that you absorb it. So that you're not conscious you're learning it, but you know how to use it next time around."

He appreciates differences; it was his early travels, particularly to Mexico and Brazil, that helped him become bilingual, bedroom, modern kitchen, bed bolted, ample closets. Unique houses in medieval and modern architecture, ancient and post-

modern, close to golf and tennis. Price

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